

honor and common sense be surrendered, traded in for a profile of pacifist courage which will probably be labeled as cowardly weakness. The man strikes you on the cheek, then turn the other cheek; we are not asking that kind of activity, that you engage in that kind of activity and you have to suffer when you apologize. It is far easier to apologize than to suffer being struck on the cheek or to carry someone's bag an extra mile when they ask you to carry baggage the extra mile.

Instead of Mr. Baker's opposition to apologizing, I propose that in the style of a Vietnam Memorial Wall we should erect a wall that is called the International Monument of Apologies. In the past we have glorified great warriors and conquerors. Now let us lift up and pay homage to all those who apologize. Let us usher in a new era of civilization with ceremonies of apologies.

Yes, it is true that most of the apologies will be emotional symbolism. However, symbols and symbolism are life and death matters among human beings.

Perhaps at the top of this International Monument of Apologies the Greeks, who have left us so many other symbols, could lead off with an apology. Let the Greeks begin by apologizing to the ghost of a Trojan nation that no longer exists. The Greeks assembled vast war mongering states, and they marched into Troy, they wrecked the place, and when they could not win the battle, they abandoned all international conventions and standards of diplomacy and they tricked the Trojans into getting inside the wall, and then they massacred the women and the children, especially all the males, and they ought to apologize for that. It may be only mythology, it may be fiction, but still it would symbolically lead off the apologizing.

Let the Italian Government apologize for the destruction of the ancient land of the Jews and dispersal of their population by the Romans. Let the Italian Government apologize for what Nero and the citizens of ancient Rome did to the early Christians. Let the Spanish and Portuguese apologize for their initiation of the Atlantic slave trade, African slave trade. Let all the nations who participated in slave trade apologize. Let the British apologize for the open war against the Chinese. Let the Japanese apologize for Pearl Harbor. All the nations of ages.

You know, why not go forward and build a new kind of civilization on apologizing? There is nothing wrong with having a great wall of international apologies for us to come and contemplate what our Governments have done in the past and are willing to own up to in the present.

Let us take our civilization to a new dimension. We readily go to Mars and we land on Mars and applaud the technology and science and how radical that is. Let us in the area of human behavior strike in a new direction. Let us follow the precepts of Judeo-Christian

religion. Let us look at that turn the cheek proposition. Let us look at it and build on it and understand that reconciliation and healing are more important than revenge and justice. Let us understand what the gentleman from Ohio [Mr. HALL] is trying to do. He is trying to open the door a little wider. Apology comes first, and after that acknowledgment, recognition, more reconciliation and more healing.

Our society as a whole and our whole decision making process are on social issues and critical educational issues will all benefit if we recognize that nothing is lost by beginning with a process of apologizing. We have conquered overwhelming external enemies, and now it is time to grow again in America. The stock market and the evidences of prosperity are at an all time high. This is a time for us to strike out for a new moral high ground, a new moral high ground which would be beneficial to all of us in America and to the whole world.

PROGRESS REPORT ON THE DEFICIT

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Wisconsin [Mr. NEUMANN] is recognized for 60 minutes.

Mr. NEUMANN. Mr. Speaker, I rise this evening to bring America some good news for a change and to talk to my colleagues about some of the progress that has been made out here in the last 3 years because it is significant and it really brings us to the question of what next.

We came here, many of us came here, out of the private sector with no political background, myself included, and we came here in 1995 set on the idea that it was our responsibility to do something about the deficit to get us to a point where this Government spent no more money than it brought in, to get us to do something about the high tax rates in this country, and we were very concerned about Social Security and Medicare as it related to our senior citizens.

It has been a great day in Washington because today we actually introduced a bill that deals with the next step, and in order to deal with the next step; that is, paying down some of that debt, you first have to recognize we are in the third year of a 7-year plan to balance the budget, we are on track and ahead of schedule, Medicare has been restored so our senior citizens can rest assured that Medicare is safe for at least another decade, and good news for virtually every American all over this country:

Taxes are coming down. We have got a \$500 per child tax credit coming through. If you own stocks or bonds or have a retirement fund of any sort, the capital gains tax reduction will affect you and allow you to keep more of your own money instead of sending it to Washington. The death taxes are coming down.

And of course there is all sorts of other tax provisions in there: the \$1,500. If you have got a student in college right now, the \$1,500 to help you get that student through college.

But the good news, and we will see more of this as we go forward this evening, is there are more tax cuts coming in the plan.

The logical next step is to talk about paying down the debt, and before I get into this I think it is real important we pause and just make sure that we talk a little bit about the difference between the deficit and the debt.

Every year since 1969 the Federal Government has been spending more money than what it has in its checkbook. It is not a lot different than our home. In our home we have income, we get a paycheck every month or every week, depending on what kind of setup you have, but at any rate you get a paycheck, you put it in your checkbook, and you write out checks to pay your bills.

Well, in your home you cannot write out checks for more than is in your checkbook, or of course the checks are going to bounce. Well, what the Federal Government has been doing since 1969 is collecting taxes, putting those tax dollars that they take out of your pocket into the government checkbook and then writing out all kinds of checks.

The problem in the government is it is very different than in our homes. When the government writes these checks out, they write out checks for more than what is in their checkbook. That is called the deficit. Since 1969 every year the government takes money out of your pockets, puts it in their checkbook and then writes out checks for more money than they have in the checkbook. That is the deficit.

Well, what happens with that deficit? Since their checkbook is overdrawn, they really only have one thing that they can do; they go and borrow the money to put in their checkbook.

And here is what has happened over the course of the last few years:

From 1960 to 1980, the growth of the debt was fairly small. But from 1984 forward, you can see that government has been overdrawing their checkbook by a substantial amount.

So what happens?

Well, in the year 1980, for example, they wrote out more checks than what they had in their checkbook, and they borrowed the money, and the debt started growing. By 1985 you can see the debt was growing more and more, and every year they kept writing out more checks than what they had money in their checkbook, and the debt just kept growing.

Now I point to this chart because it is about the best picture that I have seen to show just how serious this problem of debt is, because every year when they go out and borrow that money to make their checkbooks solvent, of course, it just gets added on to the debt.

To show you how serious this problem is, we are currently about here on this debt chart. It is a very, very serious problem facing this country.

Now, when Washington tells the American people that they are about to balance the budget, what that actually means is they are going to quit spending more money than they have in their checkbook.

Now most Americans would ask the same question they do in Wisconsin. They would ask the question:

Well, if you balance your checkbook; that is, you stop spending more money than you have in your checkbook, what about that debt that is still out there?

And I should show just how big that number is, that we actually put a number to it as we would in our own homes with our own checkbooks.

The debt, the amount of money that the government has overdrawn their checkbook by, in 1969, they borrowed it, and then in 1970 they borrowed some more, 1971, and all the way through to and including this year; that debt adds up to \$5.3 trillion. The number looks like this, but let me translate that into English.

It is effectively the same as \$20,000 for every man, woman, and child in the United States of America. Again, this is the debt, this is the amount of money they have actually borrowed. This is the money that we will pass on to our children if we do not do something about it.

Another way of looking at this is for a family of five, like mine, the Federal Government has actually borrowed \$100,000 basically over the last 15 years.

Put another way, the Federal Government spent \$100,000 more than what it took in in taxes from an average family of five, like mine, and here is the real problem with that:

A lot of people in this community would like to say, well, do not worry about the debt, it is no big deal, it will go away, but here is the real problem:

The real problem is that an average family of five in America today sends a check for \$580 every month to Washington, D.C., to do nothing but pay the interest on the federal debt.

Now, the families out there should be thinking about, well, what could we do if we did not have that debt. Well, you would keep the \$580 in your own pocket, and a lot of them are going, well, I do not know what he is talking about because I do not really pay \$580 in income taxes.

But I would like to point out that when you walk in a store and you buy a loaf of bread and the store owner makes a small profit on the loaf of bread, part of that profit gets sent out here to Washington in the form of a tax, and that is part of the \$580 a month that our families are paying in interest on this Federal debt.

So again there are 2 different topics here. One is the deficit. The deficit is the amount that the Federal Government overdraws their checkbook by every year. When the people in Wash-

ington talk about balancing the budget, what they are talking about is their checkbook. They are talking about stopping the practice of spending more money than they have in their checkbook every year.

Well, what that means is after we balance the budget, we have still got this \$5.3 trillion debt hanging over our head.

Now I started this evening by saying it is a wonderful night tonight because today we introduced a piece of legislation that goes to the what next. The what next of course is what do we do about this \$5.3 trillion debt? Do we pass it on to our children?

And I am talking some flack over this bill, to be perfectly frank were you. We had a former Vice Presidential candidate that said that we do not have to worry about the debt. In fact, Jack Kemp said that the debt will take care of itself over a long period of time and we really do not need to worry about paying the debt back. When we start running surpluses; that is, when we start collecting more taxes than what we write out checks, why do we not just do all tax cuts and not worry about this debt?

Well, I want to tell you there is two gentlemen, and we are not allowed to show them here because of House rules. On the floor here with me this evening, my son is here, and the reason we cannot look the other way is because it is not acceptable for us in our generation to pass this \$5.3 trillion debt on to our children. Is it really fair that our generation spend this money and look the other way and say, "Well, let's hope it takes care of itself," or do you think we more have a responsibility to do something about the debt much like any homeowner would do with any debt against their home?

The bill we introduce today is much like repaying a home loan. It is much like any family in America would do where you simply start making payments on the debt, and over a 30-year period of time we repay the Federal debt. Here is what the bill does:

After we reach a balanced budget we cap the growth of government spending 1 percent below the rate of revenue growth. That creates a surplus because, if you are in balance to start with, spending goes up by one amount a little bit less than revenues go up. That creates a surplus. That surplus, we take two-thirds and we apply it toward paying down the Federal debt. We take one-third and supply additional tax cuts to the American people.

Well, 2 things happen under this bill, actually 3 things. One is there are additional tax cuts for the American people. But 2 other very significant things happen. The first and what I consider to be the most important: We pass this Nation on to our children debt free. By the year 2026 under our plan, the Federal debt is repaid in its entirety. Again by 2026 the debt could be repaid in its entirety under this plan.

The other thing that happens is equally significant. Today we collect

more dollars in the social security than what we pay back out to seniors in benefits. That money is supposed to be sitting here in a savings account someplace. Well, it is not here, and I do not think this is any big surprise to anyone. The money has been spent on other Washington programs, and in fact the Social Security trust fund is all part of this \$5.3 trillion debt.

□ 1900

As we pay back the Federal debt, the second thing that happens is we put the money back into the Social Security trust fund that has been taken out, so our senior citizens can again be assured that Social Security is solvent at least to the year 2026.

So this bill really has something in it for all generations. To the young people, they will not have to make that \$580 a month payment to Washington to do nothing but pay the interest on this debt. Instead, they can keep that money in their own homes for their own families and decide how to best spend their own money. That is what this should be all about. So to the young people, they get a debt-free nation. What a wonderful opportunity that is in this bill.

For the people that are working today, one-third of those surpluses are dedicated to additional tax cuts for working families in America today, so the good news is for people in the work force, taxes go down some more.

For our senior citizens, the Social Security trust fund, the money that has been taken out by the Washington bureaucrats and spent on all kinds of other programs, that money gets put back into the Social Security trust fund and Social Security once again becomes solvent for our senior citizens.

A good day in Washington, a good day in Washington is where we can introduce a bill that actually talks about paying off the Federal debt, lowering taxes and restoring the Social Security trust fund. That is what happened today.

What kind of support do we have on this? Let me start with the Members of Congress. In the House of Representatives we have roughly 100 sponsors from both sides of the aisle. I am happy to say there are Democrat cosponsors in this as well as Republican in the House. We have people such as Speaker GINGRICH. The gentleman from Georgia, Mr. NEWT GINGRICH is a cosponsor of the bill; the chairman of the Committee on Appropriations, the gentleman from Louisiana, Mr. BOB LIVINGSTON, a cosponsor of the bill; the chairman of the Committee on the Budget, the gentleman from Ohio, Mr. JOHN KASICH, a cosponsor of the bill; the honorable chairman of the Committee on Rules, the gentleman from New York, Mr. JERRY SOLOMON, a cosponsor of the bill; the gentleman from New York, Mr. BILL PAXON, a cosponsor of the bill; 100 cosponsors in the House of Representatives already on this idea.

It goes beyond that. It goes beyond that. We had an interesting conversation. Think about this range of support, from the Speaker, the gentleman from Georgia, Mr. NEWT GINGRICH to the conversation I had yesterday with a well-known American citizen, Ross Perot.

We are going to see Ross Perot tomorrow and present the rest of the details of the plan in person to him, but he is very optimistic and very supportive of the plan, because of course it does what he talked about doing for the last 5, 7, 8, 10 years, and that is balancing the budget and paying off the Federal debt. So we have a wide range of support for this.

It goes beyond that. Two hundred fifty thousand members of Capitol Watch have signed off as endorsing the plan. United Senior Citizens Association, let me see what they say about it: Since its inception, the United Senior Citizens Association has lobbied Congress to restore the stability of the Social Security trust fund. The introduction of the National Debt Repayment Act is a step toward making Social Security solvent.

The Council for Government Reform: On behalf of over 250,000 members of the Council for Government Reform, I urge you to cosponsor and support MARK NEUMANN's legislation entitled the "National Debt Repayment Act."

Coalitions for America: Coalitions for America supports the National Debt Repayment Act of 1997. We do so for the simple reason that your bill sheds some sadly needed light into the tremendous load of red ink America is drowning under.

Business-Industrial Council: On behalf of 1,000 member companies, the U.S. Business and Industrial Council, USBIC, I would like to extend our support for the National Debt Repayment Act of 1997.

The gentleman from Georgia, Mr. NEWT GINGRICH in a press release strongly supporting it: The Debt Repayment Act takes us in exactly the right direction to lead a national dialogue on how to best deal with the surpluses once the budget is balanced.

I can keep going on this, but the bottom line is the support for this thing and the range of support, from Republicans to Democrats, from the Speaker of the House to Ross Perot, the support for this particular idea grows because it is a commonsense, straightforward approach for this great Nation we live in.

What a dream for America. What a dream for this great country: a balanced budget, lower taxes, Medicare restored. And now the next step: We pay off the debt so our children can get this Nation debt free, we restore the Social Security trust fund so it becomes solvent again, and we continue the process of reducing the tax burden on working families in America. What a dream for this great Nation we live in.

I would like to next go to a little bit about what has been happening before

1995, what has happened from 1995 to today, and then how we can get to the point where this bill is actually put into place and actually used.

To begin this discussion, I want to start with the past. I have to say that the past is before I was actively involved in politics. Before 1990 I was never in politics. I was working very hard building a business out in Wisconsin. We built the business from the ground up. In the end we were providing about 250 job opportunities in southeastern Wisconsin and in northern Illinois.

What was going on out here in Washington is that people in Washington were making a series of promises to the American people, and they kept getting broken. That is what drove many of us out of the private sector, and with a concern for our children and future generations of this great Nation, we left the private sector to serve our country for a period of time, undo what was done in those broken promises, hopefully straighten this out, and then return back to the private sector.

Let us look at the promises. Let us think back to before 1995. This is the past. This is before the American people basically provided the impetus or the revolt, if you like, of what was going on. They did that in 1994.

Let us go back before then and talk about what was promised in the late 1980's and early 1990's. I have up here the Gramm-Rudman-Hollings Act. This blue line shows how they promised they were going to get to a balanced budget. Notice, it reaches zero in 1991. That is to say, they promised the American people they would balance the budget by 1991.

I watched this thing from its inception, only when they promised it was going to get balanced; instead what happened is this red line. That is the deficit line. That is how much they overdrew their checkbook by. I was out there working hard to run a business, make sure those 250 people got paid every week, and I was watching Washington overdraw their checkbook every week. It was very frustrating to watch.

When they made this promise and then broke it, they overdrew their checkbook by even more than they said they were going to, many Americans got very angry at this situation as they felt threatened for the future of our country. I do not care what anybody in this community says, the American people do care about this country. They care about what kind of a country we are going to pass on to our children.

So they saw they could not live up to what they had promised in 1985 and they put a new plan into place. They called it the Gramm-Rudman-Hollings Act of 1987. This one provided another blue line, another series of promises. It was supposed to be balanced in the early 1990's, but instead of following their promise, again they broke it and overdrew their checkbook by massive amounts of money.

This is what led to the 1994, if you would like, I would call it an uprising of the American people. It was not a revolt in Washington, it was the American people saying, we are sick and tired of these people making promises to us out there in Washington. We are sick and tired of those promises that were broken.

At this point I might add that the Democrats were in control of both the House of Representatives and the Senate and the Presidency. They said, we are sick and tired of those broken promises. So we got to 1993. This was going on.

In 1993, they said well, we had better get serious about this. Our checkbook is really overdrawn. The people that were in Washington in 1993 said well, the only thing we know to do to balance our checkbook is to reach into the pockets of the American people and take out more money. That was the tax increase of 1993: broken promises and higher taxes. That is before 1995. That is before the American people sent a new group to Washington to change these broken promises and higher taxes.

I would hope all of my colleagues take a moment tonight to remember the tax increases of 1993, because we need to remember what that environment was back in 1993, the broken promises and the higher taxes, to understand just how far we have come in the last 3 years.

Remember, in 1993 they raised gasoline taxes, they raised Social Security taxes, the biggest tax increase in history, and there was a huge fight out here in Washington. As a matter of fact, they passed the bill by one single, solitary vote in the House of Representatives, and not a single Republican would vote for the tax increase.

So it went over to the Senate. In the Senate they again passed it by one single, solitary vote, the biggest tax increase in American history, and it passed both houses by one single vote and was, of course, then signed into law by the President.

What was the result? The result was the American people said, I am sick and tired of these promises being broken. I am sick and tired of the people in Washington thinking that the right solution to their spending habits is to reach into the pockets of the American people and take more money out to Washington. We have had it with that.

So in 1994, they elected a new group of people and sent them on out here to Washington. Again, I would emphasize that at that point the House of Representatives was taken control of by a new party, by the Republican Party. The Senate also was taken over by the Republican Party at that point.

But it is not the party difference that is important here, it is the change in what was happening and the concept of the way to solve the problem of balancing the budget, reaching into the pockets of the people and taking more money out to Washington, or the very

different view that was brought in in 1995.

The different view went like this: Instead of reaching in the pockets of the American people and taking more money out here to Washington so we can maintain big government, instead of doing that, what we are going to do is curtail the growth of government spending. When we curtail the growth of government spending, since the government spends less, that means they will not need as much money out of the pockets of the American people. When they spend less, of course, they are going to borrow less.

Here was the theory. If the government borrowed less money out of the private sector, that would mean there would be more money available in the private sector. More money available in the private sector would keep the interest rates down, and when the interest rates stayed down, people would probably buy more houses and cars, because they could afford them. When they bought more houses and cars, people would have to go to work building those houses and cars. Of course, when they went to work they were leaving the welfare rolls and went into the work force.

I have good news. We have now moved out of the past and into the present. Our motto was put into place in 1995. The American people deserve the credit for this. The American people sent a new group to Washington. That new group sent to Washington with their ideas of curtailing the growth of government spending have laid this down, and now we are in the third year of this.

The American people have every right in the world, they should be checking us. They should now be asking the question: Is this group that we put in charge in 1995 doing anything different than what the people did before them, the broken promises of Gramm-Rudman-Hollings? Is there anything different going on?

I brought a chart along to help see just how different it really is out here. In 1995 we promised the American people a balanced budget by the year 2002. We laid out the deficit stream just like they did with Gramm-Rudman-Hollings. In the first year we promised the deficit would be below this red column, below \$154 billion. The deficit in the first year was actually \$107 billion. Here is what was promised. That is the red column. Here is what the deficit actually was. Please note, the deficit that actually occurred was smaller than what was promised to the American people. We not only hit the target, but we were ahead of schedule.

The second year, we said it would be under \$174 billion. It is actually now well under 67. In the second year of this plan, again, the promises, the red column, and the blue column is what actually happened. Conceptually, the idea of controlling the growth of government spending worked. The idea of the government borrowing less money

and leaving more available in the private sector, keeping the interest rates down so people would buy more houses and cars, providing more job opportunities, it worked.

We are now in the third year of that plan, and again, in the third year we are not only on track but ahead of schedule. That is the debate going on in Washington today. We are well ahead of schedule to be to a balanced budget by the year 2002.

Has anything changed? Mr. Speaker, I would like to point out that under the Gramm-Rudman-Hollings, they never hit the targets. Under the new group that is here since 1995, we have not only hit the targets, but we are ahead of schedule in the first year. We not only hit the target, but we are ahead of schedule in the second year. We not only hit the target, we are ahead of schedule in the third year.

The good news for the American people is that we may very well have a balanced budget by next year, we are so far ahead of schedule on our plan. Because the idea of the government borrowing less, keeping the interest rates down so people can afford to buy houses and cars and provide job opportunities, that working model of 1995 worked so well that we are probably going to have a balanced budget by the year 1998. That is great news for the American people.

A lot of people cannot figure out exactly how this happened. I brought another chart along to help show what this curtailing the growth of government spending really means. Before 1995, the average growth of spending under the old regime was 5.2 percent annually. I went back 7 years and took the average growth in spending of the 7 years before the 1995 group took over, before the American people put the Republicans in charge of the House and Senate.

Since then, spending is still going up by 3.2 percent but the growth of government spending in Washington has been slowed by 40 percent in 2 short years. This is how fast it was going up before 1995, this is how fast it is now going up after 1995.

Is spending still going up, or are we making draconian cuts that virtually every American has been told about? I have news, there are no draconian cuts. Spending in government is still going up by 3.2 percent a year. Government is still getting bigger, and a lot of us do not like that. A lot of us would prefer to see this number at zero. Government does not need to be bigger. Cut out the waste and get down to the programs that people actually need.

But the facts are, government spending is still going up by 3.2 percent a year. If we look at inflation in adjusted dollars, it is going up by about .6 percent per year. If we take a look at what is really happening to government spending, it was going up in real dollars by 1.8 percent a year. It is now still going up by about .6 percent. That is after inflation.

Government, unfortunately, is still getting bigger, so we have plenty of room to move this plan forward to the next step and stop government from growing at all. But at this point, what has been done is the growth of government spending has been slowed. It is the slowing of that growth of government spending that has led us to a point where we can actually both balance the budget, probably by 1998 or 1999, well ahead of schedule, and reduce taxes on the American people at the same time.

What a wonderful situation this is and what great news this is for America. Instead of in 1993 talking about higher taxes, we have in fact curtailed the growth of government spending to a point where we can both balance the Federal budget and at the same time provide tax relief for the American people.

It is good news for America. That is what I said when I started this evening, it is a great day in Washington. And there are not a lot of great days in Washington, believe me; but it is a great day, because we know that what has been tried in 1995, that model that was put into place, we know that model actually works, and it is very, very important.

I have one more thing here that shows just how important the work that has been done is, and credit for this should go to a lot of the different leadership in both Houses for this, but most important, to the American people, because after all it is the American people that had the common sense in 1994 to change what was happening in this community. It would not have changed without the American people.

□ 1915

It cannot change without the support of the American people. What this chart shows is where the deficit was headed.

If the group that came here in 1995 played golf and basketball instead of doing their job, this line shows where the deficit was headed when we got here in 1995. The yellow line shows how much progress was made in the first 12 months under a new party in control.

My colleagues will notice that the deficit projections came down, but they still were not going to zero at that point. The green line is the 1995 plan that we put into place, and the blue line, this is the good news, the blue line shows us what is actually happening.

Again, here is what would have happened; here is how much progress was made in 12 months. Here is our plan. This is what we hope for. This is like the Gramm-Rudman-Hollings promise to the American people, and here is what is actually going on.

We are not only on track in our plan, we are ahead of schedule to the point where the budget will probably be balanced next year or the year after and we can provide a tax reduction to the American people.

I have got to pause for a moment in this presentation and say, I have been upbeat, very positive about where we are going with this country and very positive about the possibilities for what can happen. I want to pause for just 1 minute and make sure we have a dose of reality in here.

This is a topic that I think is very important for all Americans to understand, whether they are in their thirties or forties or fifties and thinking about at some point receiving Social Security, or whether they are in their fifties and sixties and are nearly ready to start receiving Social Security, or whether they are 65 or 62 and over and are receiving Social Security. This is a very important thing to understand.

When Washington says they are going to balance the budget, what they do not tell the American people is they are still taking money out of the Social Security trust fund to do it. Let me explain that. Every year the Social Security trust fund takes money in out of the paychecks of the American people. It takes in more money than what it gives back to the seniors in checks. That is to say, there is a surplus. They are collecting more money.

The reason for that is very simple. The baby boom generation is moving toward retirement, and when the baby boom generation gets there, there will not be enough money to pay Social Security. That happens in 2001. So they are collecting more money than what they are paying out right now. The idea is that money gets set aside in a savings account, and the savings account then provides the money in 2012 when the baby boom generation starts retiring and there is not enough money there to write out the Social Security checks.

The only problem in Washington, this should come as no big surprise to anyone, when Washington saw that extra money being collected out of the paychecks, instead of putting it aside in a savings account they spent the money. They put it in their big government checkbook and spent the money.

So at this point the only thing we have in that savings account is a bunch of IOU's. It is all part of the \$5 trillion debt. So when Washington says they are going to balance the budget, it is important to understand that what they actually mean is they are going to use that Social Security trust fund money to actually count toward their checkbook and call that balanced.

Again I have a picture here to help make that clearer. The surplus in the Social Security trust fund for 1996 was about \$107 billion. So they have got this extra money coming in, about \$100 billion extra coming in. When they say balance the budget, what they mean is, I am sorry, the deficit was \$107 billion in 1996. On top of that there was \$65 billion in the surplus Social Security money. So there was \$65 billion extra came in to Social Security more than what they paid out. The deficit had originally been reported as \$107 billion; the true deficit then \$172 billion.

When Washington says they are going to balance the budget, what they really mean is they are going to zero out this blue area. So even after they zero out this blue area, that is the deficit, what they call the deficit out here, they are still using the Social Security trust fund money to make their checkbook look balanced.

So in 2002, or whenever we hit a balanced budget and Washington proclaims victory, we need to understand that that victory still means they are using the money out of the Social Security trust fund. That leads us again to the National Debt Repayment Act and why it is so important.

Under the National Debt Repayment Act, of course, what we would do is, after we balanced the budget we would cap the growth of government spending at a rate 1 percent lower than the rate of revenue growth so as to create a surplus. That surplus is what we use to put the money back in the Social Security trust fund that has been taken out.

So over a period of time, then, when we get to a true balanced budget, that is, we get to a point where we are not using that Social Security money to mask the true size of the deficit or to make the budget look like it is balanced when it is really not. We get past that in our National Debt Repayment Act and we actually get to a point where all of this money that has been taken out of the Social Security Trust Fund gets put back in. If that happens, Social Security again becomes solvent through the year 2029.

I want to talk again, we talked about the past and the present, I want to go again into the future, because understanding the problems in the Social Security Trust Fund and understanding how significant this debt is on our children and what it means to them and how much interest they would have to pay or how much they do not have to pay so they can keep the money in their own home. A lot of folks are talking about our budget plan as being pie-in-the-sky; we cannot really balance the budget.

I put together a little chart that looked at the average Federal revenue growth over the last 3 years, revenue to the Federal Government; that is, if we just look at how much money is coming in to Washington, it has been growing by 7.3 percent average over the last 3 years. Over the last 5 years it went up by 7.3 percent. A 10-year average is 6.2 percent. A 17-year average is 6.8 percent.

In our budget resolution, in the budget plan that balances the budget by 2002, we only projected revenue growth of 4 percent. That is to say the plan we laid out on the table was extremely conservative. The reason there are projections out there that the budget will be balanced in 1998 or 1999 is because revenue is in fact growing even faster than the 4-percent number. When it grows faster, of course, that gets us closer to a balanced budget.

I put together a little table. I asked the question: What if revenue grows at a more historical level, say 6 percent? That is what this chart shows. If we can hold the spending in line, as we have been doing, and meet the spending targets that are in the budget resolution that has just passed, and revenue grows by 6 percent instead of the 4 percent, still lower than it has been growing but faster than what was projected in the budget resolution, what happens is we do in fact balance the budget by the year 2000 and start running a surplus.

That is the real importance of passing the National Debt Repayment Act. These surpluses could start as soon as 1999 or 2000. And when those surpluses start, there is going to be a frenzy in Washington, DC, with a strong desire to spend more of the American people's money. By passing the National Debt Repayment Act, we would assure that two-thirds of this surplus goes to repaying the debt, including paying off the Social Security trust fund, and that one-third of this surplus is provided for additional tax cuts to the American people.

That is what the National Debt Repayment Act is about. It was introduced today, and I would strongly encourage my colleagues to be actively involved in supporting it. And equally important, I think, the American people need to get actively involved in this, because inside the beltway there is this strong sense that somehow the debt is irrelevant. It is almost like we do not care if we pass it on to the children. We want to give more tax cuts because that will be politically popular.

I deep down inside believe that the American people understand that the right and proper thing to do, the morally and ethically right thing to do, is to pay the bills that we ran up over the last 15 years. The National Debt Repayment Act will allow us to do just that. Before people in my age group leave the work force, we would have the debt repaid in its entirety.

For the people who want more tax cuts, I would just point out that as we pay off the Federal debt, as we implement this sort of a plan, the interest payments to the Federal Government will be reduced. And when we reduce those interest payments, of course, taxes can be correspondingly held down.

There are two important things in order to bring all of this about. There are two very important things. One of them is that we curtail the growth, we continue curtailing the growth of government spending. We do not have to have draconian cuts. We do not have to wipe out all kinds of programs that are important to people.

What we do have to do is, we have to curtail the growth of government spending. That may mean that a program gets killed on one side that was wasteful or not as productive or not as important as another program someplace else. If we were to say limit the

growth of government to the rate of inflation, some program might grow faster than inflation, such as Medicare. Some other program might have to grow slower than the rate of inflation.

I would point to one of these. Last year we sent \$35 million to Russia so Russia could launch monkeys into space. I do not think we needed to send that \$35 million. We took \$35 million of the taxpayers' money. We sent the money to Russia for the Russians to launch monkeys into space for research.

Those things should be eliminated. The dollars spent on those sorts of programs should be redirected to programs that are more important, say Medicare, for example, and that should allow us to keep the growth of government spending at the inflation rate or even lower.

The beauty of this whole idea, the National Debt Repayment Act, is that we have one-third of the surplus going to additional tax cuts, two-thirds going to repay the debt. We get to pay off the entire debt by the year 2026 and give this Nation to our children debt free. The Social Security trust fund is restored, and we get to provide additional tax cuts to the American people.

I cannot think of much better that we could spend our time and effort on. I cannot think of a better vision for the future of this great country.

I have got a few minutes left tonight. I would like to jump over into another topic that I think is very important out here. I would like to go into a little more detail on the tax cuts that are coming for the American people.

There is a lot of debate in this community right now about whether people who are not paying any income taxes should get a tax cut or not. Many of us feel that if a person is not paying taxes, it is probably pretty hard to get a tax cut. There is a debate about whether the Social Security taxes that are withheld out of a paycheck should be applied or not. I guess that debate will go on.

But the bottom line is, when it is all over and done with, people with children, families with children with incomes below \$110,000 a year, or \$75,000, if they are single, they get \$500 per child back in their home. If they are in a house where they have got one child headed off to college and two kids in school yet, they will get \$500 for each one of those kids. On top of that, for the one that went off to college they will get an additional \$1,500.

This is not like they get from Washington. This is their hard-earned money that, instead of sending it out here to Washington to let Washington decide how to spend it, they get to keep this money in their own home and spend it in the way that they think is most desirable for their own family.

I was talking to a family with three children in church the other day. They said to me, the first thing I am going to do with this money, \$500-per-child, I am not going to go and spend that

money. That is going into a college fund for my kids so I know when they get there, and I will have three in college at that point, I know when they get there we can pay the college bills.

What a great statement that is for America. American families care. This country is not dead and gone. The people of this country care, not only about the country, they care about their family. When the \$500-per-child tax cut comes through, families are not going to go out and blow that money. They are going to use that money to provide a better life for their children. In this case they are going to put it away for a college fund. That is great news for the future of this country. That is the way it should be.

I would like to address another group of people, and this is not often discussed in the tax cut plan that is currently on the table out here. I talk with a lot of folks where their kids are grown and gone. I have a 20-year-old, an 18-year-old; the 18-year-old heads off to Carthage College next year. The 20-year-old is going to New Ulm, MN, to college. I have a 14-year-old at home that I am sure will head off to college in three or four years.

At that point my wife and I become empty nesters. An empty nester is a family where the kids have grown and they have left the house and are no longer living there. There are a lot of American people out there in their middle forties that are empty nesters. They are in this big house that they built to raise their children. They do not need that big house anymore.

The dilemma, under the Tax Code right now, is this: If they sell their house today and they are 48 years old, their kids are gone, they decide they want to go into a smaller home, lower payments, and start saving for their own retirement, if that is what they would like to do, under today's rules they sell that bigger house and move into a smaller house and the tax burden comes out and grabs lots of money from them.

Under the tax cut package that is here today, this is very significant for empty nesters, if they wish to downsize their house, the government is not going to come and take a portion of the inflated price of their old home, their bigger home.

Let me walk through this. Suppose a family has three kids and they are young kids, and when they were 35 years old they bought a house for \$35,000, \$40,000. They kept that home, and now they are 48 years old and their kids are all gone and they need a smaller house. The home that they bought for \$35,000 is now worth \$85,000, so there has been a \$50,000 inflation in there.

Under the old rules, if they sold the house before age 55, they pay taxes on that \$50,000. They pay a capital gains tax on it. Under the new rules, if they sell their house even before the age of 55, they do not have to pay the taxes on it. So if they want to sell their big

house, move to a smaller house, lower payments and save for themselves for retirement, go ahead and do it. That is what the new tax rules are saying. It is a significant change for a lot of Americans that has not really been talked about out here.

There is another area of tax cuts that I think is very significant. Lots of people, especially my age group, 20's, 30's, on up into the 40's, we started saving in a pension plan of some sort for our own retirement, many times even outside our employer's plan. We started some other sort of a savings plan to get ready for our retirement, or if it is our place of work and they provide us with a pension plan of some sort.

In that pension plan they have been buying maybe stocks and bonds or whatever they buy in that pension fund. By the time they reach retirement, the value of those stocks is going to have increased, we hope. That is why they are buying them, so they will increase in value under the old rules.

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When we pull those stocks out of the pension fund, we pay a 28 percent tax on them. It is called a capital gains tax. Under the new rules, instead of paying 28 percent, we will only pay 20 percent. That is a very significant reduction. That is an 8 percent reduction.

If we pull money out of our pension funds, and let us say we are taking out \$1,000 of this profit a month, instead of paying 28 percent, \$280 in taxes out of that thousand dollars we are taking out, we are now only going to pay \$200; and we get to keep an extra 80 bucks in our own home to spend as we see fit instead of sending it to Washington to spend on our behalf. Another very significant change in the tax code.

There is lots of good news out there in the tax code. A lot of times the American people get bogged down in all the bickering and fighting going on down here in Washington, but I think it is important as we are listening to that that we remember the huge difference in transition that has taken place from before 1995 to today.

Before 1995 there was no fighting about tax cuts. For goodness sakes, there was no tax cuts even being discussed. The only thing being discussed were which taxes should be increased and how far. Today, yes, there are some disagreements over which taxes should be cut and how far, but is it not a wonderful situation for the country to be in, where we are talking about which taxes to reduce on the American people and how far they should be reduced?

Let us have that debate. And the good news is that under the National Debt Repayment Act there is more tax reductions coming for the American people.

I would encourage every American to get actively involved in this debate. If for some reason somebody can find a way that they are not affected by the

tax cuts that are currently on the table, I think it is important that their representatives know about that so that in the next round of tax cuts, as the National Debt Repayment Act is put into place, and one-third of the surplus is allocated to additional tax cuts, Congressional Representatives should know exactly what it is that their constituents would like to do with those tax cuts to make sure it affects them too.

Let us make sure everybody in America that is working and paying taxes gets a reduction of some sort, because that is what this is all about. Washington does not need to take as much money from the American people as it is taking. I believe very deeply that the American people, our families out there, our singles out there, that the American people can do a much better job of spending their own money than the people out here in Washington can.

So as we go through tax cut round after tax cut round after tax cut round, think back to 1993 and just think, as we are going through some of these debates, what a wonderful thing it is that we are actually having these debates out here in Washington as opposed to the alternative which was here in 1993.

What I want to do now is just wrap up this discussion. I would like to go back to the past, the present and the future, just quickly through it.

I will start with the past and again just remind folks exactly how far we have come. I always use this chart of the Gramm-Rudman-Hollings promises because of the past.

Before 1995. A different party in control of the House of Representatives. The Democrats in control of the Senate and the presidency. What was the world like before 1995, before the American people made a change? It is not Washington that made the change. In 1994 the American people decided to make a change. Before they made that change, what was going on and what brought the American people to make that change?

Well, in the 1980's, they promised under the Gramm-Rudman-Hollings Act to get us to a balanced budget, following this blue line for deficits. But they did not meet their targets. They broke their promises to the American people. And it was more than money, it was the fact that the people in Washington had made promises to the American people. When they could not keep their promises, they said, we know what to do, let us make a whole new set of promises, and they passed Gramm-Rudman-Hollings II and made a whole new set of promises to the American people and again broke those promises to the American people.

The past, folks. Broken promises, pre-1995. Someone else in control of Congress. The past. These broken promises of a balanced budget. The past, 1993. Which taxes should we raise to get us to a balanced budget and how far should we raise those taxes? The gasoline tax, Social Security tax.

Everybody's taxes went up. If one owned an automobile, they paid more taxes. The past. Broken promises, higher taxes.

The present. The American people revolted in 1994 and they put the Republicans in control of both the House and the Senate. To see how different things are, those broken promises of the past, that is not the group that is here now. The American people should evaluate this change. They should look out here now and say did the Republicans fulfill their commitments or are they like all the rest and broke their promises, too.

Well, here are the promises the Republicans made. In 1995 we laid out a plan to balance the Federal budget. We said in the first year of that plan the deficit could not be more than this red column. Well, it was the blue column. We not only hit our target but we were ahead of schedule.

Year 2. We promised not more than the red column. Blue column is what actually happened. Year 2, on track, ahead of schedule. Very different. We not only hit our targets, we were ahead of schedule in the first 2 years.

We are now in year 3. In year 3, even if we go into a rescission, which is what is currently projected, this is what was promised back in 1995, and this is where we actually are. A very different group of people with very different results.

How did we make this happen? What brought this picture about? What brought this picture about is not raising taxes, not reaching into the pockets of the American people and giving more money to Washington. What brought this chart about is curtailing the growth of Government spending. Looking at our Government, asking ourselves which programs do we not need. What can we do to do a better job? How can we curtail the growth of Government spending.

Government spending is still growing. It is still going up by 3½ percent, a little faster than the rate of inflation, but not as fast as it was before. And since it is not going up as fast as it was before, Government spending goes up slower; since we are not spending as much money, that means the Government did not borrow as much out of the private sector. When they did not borrow as much, our theory was that with more money available in the private sector, because the Government borrowed less, more money would be available in the private sector and interest rates would stay down, law of supply and demand.

With interest rates down, people could afford to buy houses and cars, which they did. And when people bought houses and cars, other people had to build them, which meant they left the welfare rolls and got a job.

That is exactly what has led to this picture up here of being not only on track but ahead of schedule. So what happened? That group that got sent here in 1995, they fulfilled their commitment and curtailed the growth of

government spending. Not draconian cuts. Spending still went up, but at a much slower rate. We curtailed the growth of spending to a point where we cannot only balance the budget, but also reduce taxes on the people at the same time.

That is where we are at now today. We are actually at a balanced budget. In 1998 we will stop spending more money than we have in our checkbook. As soon as 1998. And at the same time we are providing tax relief to the American people. That is what has happened and that is a very different picture than 1993.

The past, the present, the future.

The future of this party. The future of this great Nation. Much more important than the party itself. The future of our country needs to recognize that even after we get to a balanced budget, we still have a huge debt hanging over our heads. Five trillion dollars. We need to live up to and accept the responsibilities of our generation, a generation who has spent this money.

Our generation has overdrawn its checkbook each year since 1969. The future, folks. We must do what is right for the future of this country and live up to our moral and ethical responsibilities to do something about the \$5.3 trillion debt. We do not want to pass that on to our children. I think it is totally inappropriate for our generation to look the other way and pass that debt on to our children.

Our job is to do something about it, and that is the National Debt Repayment Act. We introduced it today in Congress. The National Debt Repayment Act goes like this. It says after we reach a balanced budget, that is, the same number of dollars coming in as what the government is writing out checks for, after our budget is in balance, we cap the growth of spending at a rate 1 percent lower than the rate of revenue growth.

If revenues go up faster than spending, that creates a very small surplus to begin with. The surplus grows each year. One-third of that surplus goes to providing additional tax cuts to working families; two-thirds to repay the Federal debt.

The future? The future is paying off the entire Federal debt under this plan by the year 2026, giving our Nation to our children debt-free. And, of course, as we are paying off the debt, we restore the Social Security trust fund.

The future? The future is the National Debt Repayment Act providing additional tax cuts to working families. A secure future and debt-free Nation for our children and restore the Social Security trust fund so our seniors, once again, are secure in this great Nation that we live in.

That is a very different vision than the past that we have had here. This is such good news for America. It is such good news it should be put out on every station to let all the people know just how changed this place is.

The past. Broken promises, higher taxes. The present. Third year of a 7-year plan to balance the budget. On track and ahead of schedule. Very changed place. Curtailing the growth of government spending to the point where we can both balance the budget and, at the same time, reduce taxes on our families out there. And, after all, that is what this is all about, the future.

The future is about our children and future generations of Americans. The future. The National Debt Repayment Act, where we repay the entire Federal debt by the year 2026 and give this Nation to our children debt-free. The National Debt Repayment Act, where we are paying off the debt and restoring the Social Security trust fund. The National Debt Repayment Act, where we allow additional tax cuts for working families. Additional tax cuts for working families, a restored Social Security trust fund for our seniors and a debt-free Nation for our children.

That is a vision for the future of this great Nation that we live in. That is what I sincerely hope happens out of what has started here today as we have introduced the National Debt Repayment Act, and that is my vision for the future of America.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. FORBES (at the request of Mr. ARMEY), for today, on account of illness in the family.

Mr. YOUNG of Alaska (at the request of Mr. ARMEY), until August 1, 1997, on account of medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. McNULTY) to revise and extend their remarks and include extraneous material:)

Mr. ETHERIDGE, for 5 minutes, today.
Mrs. MALONEY of New York, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

(The following Members (at the request of Mr. DUNCAN) to revise and extend their remarks and include extraneous material:)

Mr. KINGSTON, for 5 minutes, today.
Mr. WELDON of Florida, for 5 minutes, today.

Mr. DUNCAN, for 5 minutes, today.
(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. DICKS, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. McNULTY) to revise and extend their remarks and include extraneous matter:)

Ms. CHRISTIAN-GREEN.

Mr. STOKES.

Mr. LANTOS.

Mr. SERRANO.

Mr. GEJDENSON.

(The following Members (at the request of Mr. DUNCAN) to revise and extend their remarks and include extraneous matter:)

Mr. GILMAN.

Mr. FORBES.

Mr. BRYANT.

Mr. GALLEGLY.

Mr. COLLINS.

(The following Members (at the request of Mr. NEUMANN) to revise and extend their remarks and include extraneous matter:)

Mr. COBLE.

Mr. PACKARD.

Ms. VELAZQUEZ.

Mr. ENGEL.

Mr. MCCOLLUM.

Mrs. CUBIN.

Mr. POMEROY.

Mr. MURTHA.

Mr. MENENDEZ.

Mr. FOGLIETTA.

Mr. KENNEDY of Massachusetts.

Mr. SOLOMON.

Mrs. MALONEY of New York.

Mr. KUCINICH.

Mr. BOB SCHAFFER of Colorado.

Mr. GEJDENSON.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 768. For the relief of Michel Christopher Meili, Giuseppina Meili, Mirjam Naomi Meili, and Davide Meili.

ADJOURNMENT

Mr. NEUMANN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 40 minutes p.m.), under its previous order, the House adjourned until Monday, July 21, 1997, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4228. A communication from the President of the United States, transmitting a report to Congress that suspension for 6 months beyond August 1, 1997, of the right to bring an action under title III of the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996 is necessary to the national interests of the United States and will expedite a transition to democracy in Cuba, pursuant to Public Law 104—114, section 306(c)(2); (H. Doc. No. 105—107); jointly to the Committees on International Relations and the Judiciary, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mrs. MYRICK: Committee on Rules. House Resolution 189. Resolution providing for consideration of the bill (H.R. 2169) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1998, and for other purposes (Rept. 105—189). Referred to the House Calendar.

SUPPLEMENTAL REPORT FILED

Mr. LIVINGSTON: Committee on Appropriations. Supplemental Report on the revised subdivision of budget totals for fiscal year 1998 (Rept. 105—185 Part II). Referred to the Committee on the Whole House on the State of the Union, and ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of Rule X and clause 4 of Rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. COBLE:

H.R. 2180. A bill to amend title 17, United States Code, to provide limitations on copyright liability relating to material on-line, and for other purposes; to the Committee on the Judiciary.

By Mr. MCCOLLUM (for himself, Mr. SCHUMER, Mr. BUYER, Mr. CHABOT, Mr. COBLE, Mr. BARR of Georgia, Mr. HUTCHINSON, Mr. GEKAS, Ms. JACKSON-LEE, Mr. MEEHAN, and Mr. WEXLER):

H.R. 2181. A bill to ensure the safety of witnesses and to promote notification of the interstate relocation of witnesses by States and localities engaging in that relocation, and for other purposes; to the Committee on the Judiciary.

By Mr. WEXLER (for himself, Mr. CONYERS, Mr. COBLE, Mr. FRANK of Massachusetts, Ms. JACKSON-LEE, and Ms. LOFGREN):

H.R. 2182. A bill to amend the Inspector General Act of 1978 to clarify the authority of the inspector general of the Department of Justice; to the Committee on Government Reform and Oversight.

By Mr. HUTCHINSON (for himself, Mr. BOYD, Mr. COOK, Mr. DAVIS of Florida, Mr. GIBBONS, Mr. HILL, Mr. HULSHOF, Mr. KIND of Wisconsin, Mr. LAMPSON, Mr. PASCRELL, Mrs. TAUSCHER, Mr. BERRY, Mr. BLAGOJEVICH, Mr. BLUMENAUER, Mr. BOSWELL, Mr. BRADY, Ms. DEGETTE, Mr. DELAHUNT, Mr. FORD, Mr. HINOJOSA, Ms. HOOLEY of Oregon, Mr. JOHN, Mr. JOHNSON of Wisconsin, Mrs. MCCARTHY of New York, Mr. MALONEY of Connecticut, Mr. REDMOND, Mr. SNYDER, Mr. TURNER, Mr. WAMP, Mr. WEXLER, and Mr. WEYGAND):

H.R. 2183. A bill to amend the Federal Election Campaign Act of 1971 to reform the financing of campaigns for elections for Federal office, and for other purposes; to the Committee on House Oversight.

By Mr. BRYANT:

H.R. 2184. A bill to permit reviews of criminal records of applicants for private security officer employment, and for other purposes; to the Committee on Education and the Workforce, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each